

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** 08/07/2012  
**POSITION:** Oppose

**BILL NUMBER:** SB 245  
**AUTHOR:** Rubio, Michael

### **BILL SUMMARY:** Governor's Office of Planning and Research: Advisor on Military Affairs

This bill would establish the Governor's Advisor on Military Affairs (AMA) and the Military Advisory Council under the direction of the Governor's Office of Planning and Research.

### **FISCAL SUMMARY**

The bill would impose new General Fund costs on the Governor's Office of Planning and Research (OPR), estimated to be between \$100,000 and 400,000 per year based on the Business, Transportation and Housing (BTH) Agency's prior program. Additionally, the bill authorizes a new grant program, but does not identify a funding source for the grants.

### **COMMENTS**

Finance is opposed to the bill because it is premature and would result in new General Fund costs to the OPR. The federal Department of Defense proposed new base closure efforts for 2013 and 2015, but these were rejected by the House Armed Services Committee. Since there are no plans for the federal government to engage in new Base Realignment and Closure (BRAC) activities in the next few years, establishing a state program would be premature.

#### **Existing law:**

- Establishes the OPR to serve the Governor and his Cabinet as staff for long-range planning and research, and constitutes the comprehensive state planning agency.
- As of July 1, 2013, eliminates the BTH and reassigns the state agencies to other agencies; the BTH economic development programs will become part of the Governor's Office of Economic Development (GoBIZ).

#### **This bill would:**

- Establish the Governor's AMA and the Military Advisory Council and require to serve under the direction of the OPR.
- Require the Governor's AMA to lead the base retention and conversion efforts.
- Allow the the OPR to establish a military support grant program to grant funds to communities with military bases to assist them to develop a retention strategy.

**Discussion:** Since 1988, California has experienced the closure or realignment of 29 military bases that resulted in the loss of 101,000 military, and 300,000 private sector jobs. The last round of BRAC military base closures and consolidations was adopted in 2005, and was just recently completed. A Government

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Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

Rubio, Michael

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**COMMENTS** (continued)

Accountability Office Report estimated the 2005 BRAC closures cost \$35.1 billion, and that net savings would not result until 2018. At this time, no future BRAC discussions are proposed.

California previously had a base closure program within the Trade and Commerce Agency. Upon the elimination of that agency in 2003, responsibility was transferred to the BTH. In 2004-05, the budget for these activities was \$1.2 million (General Fund), but decreased to approximately \$400,000 in 2007-08 when the program sunsetted. Since there are no current plans for a federal BRAC round, estimated costs should be less for any preliminary activities that might be appropriate until a new federal BRAC closure round commences.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP					Fund		
	RV	98	FC	2012-2013	FC	2013-2014	FC	2014-2015	Code
0650/OPR	SO	No	A	100-400	A	100-400	A	100-400	0001